

Message Text

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44

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FM AMCONSUL CALGARY

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E.O. 11652: N/A

TAGS: PFOR, EGEN, CA

SUBJECT: ALBERTA'S LOUGHEED BLASTS EXPORT TAX ON OIL.

1. PREMIER PETER LOUGHEED TODAY STRUCK FORCEFULLY AND DRAMATICALLY AGAINST THE FEDERAL GOVERNMENT'S PROPOSAL FOR AN EXPORT TAX ON OIL. DESCRIBING THIS MEASURE AS "THE MOST DISCRIMINATORY ACTION TAKEN BY A FEDERAL GOVERNMENT AGAINST A PARTICIPATING PROVINCE IN THE ENTIRE HISTORY OF CANADA", THE ALBERTA LEADER TOLD APPLAUDING MEMBERS OF THE CANADIAN CLUB OF CALGARY THAT "ALBERTA INTENDS TO FIGHT BACK IN EVERY WAY POSSIBLE AGAINST THIS DETRIMENTAL FEDERAL LIBERAL PARTY POLICY".

2. THE PREMIER WAS IN A BITTER MOOD AS HE SAID THAT ALBERTA WILL USE EVERY WEAPON AND EVERY RESOURCE IT CAN TO MINIMIZE THE DAMAGE OF THE FEDERAL GOVERNMENT'S OIL POLICY ON THE PROVINCE. HE STATED THAT ALTHOUGH THE PROVINCIAL GOVERNMENT HAD BEEN PREPARED TO SIT DOWN AT A NATIONAL CONFERENCE ON ENERGY IN A SPIRIT OF COOPERATION, THE UNILATERAL ACTION NOW TAKEN BY THE FEDERAL GOVERNMENT "APPEARSTO PRECLUDE SUCH AN APPROACH".

3. LOUGHEED EMPHASIZED THAT THE ALBERTA ECONOMY OVER THE PAST
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TWO DECADES HAS BEEN DYNAMIC AND PROSPEROUS, "DUE IN A VERY

LARGE PART TO A FREE, ENTERPRISING, AND AGGRESSIVE OIL INDUSTRY", WITH THE PETROLEUM INDUSTRY ACCOUNTING FOR OVER ONE-THIRD OF THE TOTAL EMPLOYMENT OF THE PROVINCE. HE WARNED THAT WITHOUT A VIABLE PETROLEUM INDUSTRY THE PROVINCIAL ECONOMY WOULD DIMINISH TO THAT OF A "HAVE NOT" STATUS, AND HE DESCRIBED THE GOVERNMENT'S EXPORT TAX AS A METHOD BY WHICH THE FEDERAL GOVERNMENT PROPOSED TO "SIPHON OFF AND DIVERT SUBSTANTIAL CASH PROCEEDS OUT OF ALBERTA IN AN ACTION THAT STRIKES AT THE VERY ROOTS OF CONFEDERATION".

4. POINTING OUT THAT TWO OUT OF EVERY THREE BARRELS OF OIL LEAVING THE PROVINCE GOES TO THE UNITED STATES, LOGHEED SAID THAT THE SITUATION IS NOW THREATENED BECAUSE "AN EXPORTING NATION HAS LEVIED EXPORT TAX ON ITS BEST CUSTOMER", AND HE EXPRESSED CONCERN OVER WHAT MIGHT BE THE REPERCUSSIONS FROM THE EXPORT TAX ON UNITED STATES-CANADIAN TRADE.

5. THE ALBERTA LEADER CONCLUDED BY CALLING ATTENTION TO THE ASSURANCES MADE BY THE FEDERAL GOVERNMENT AT THE CALGARY WESTERN ECONOMIC OPPORTUNITIES CONFERENCE FOR A "NEW ERA FOR THE WEST". THE PREMIER SAID "MY REGRET TODAY IS THAT IT NOW APPEARS TO BE A NEW ERA OF INCREASED CENTRAL-CANADIAN DOMINATION AND DISCRIMINATION AGAINST THE WEST, AND AS AN ALBERTAN I DO NOT INTEND TO SUBMIT TO IT OR TO ACCEPT IT".

6. PREMIER LOGHEED'S SPEECH COULD WELL IGNITE A HARD AND BITTER DISPUTE OVER PROVINCIAL VERSUS FEDERAL RIGHTS IN THE AREA OF ENERGY CONTROL, A DISPUTE THAT HAS BEEN BUILDING FOR MONTHS. UNTIL NOW THE ISSUE HAS BEEN BACK-STAGED, WITH BOTH CONTESTANTS RELUCTANT TO COMMENCE BATTLE. NOW THE ISSUE IS IN THE OPEN, AND THE ALBERTA LEADER IS IN NO MOOD FOR CONCILIATION.
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